A8740-1.7

59th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1982 Financial Ratios Binders

© 1982 by Printing Industries of America, Inc.

This material must not be reproduced in whole or in part in any form whatsoever without the express permission of

Printing Industries of America Inc.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1982 PIA FINANCIAL RATIOS FOR BINDERS who participated in the 1982 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 30 firms and presents the ratios and statistics of Binders by sales volume and product specialty.

Thus, the user of the report can direct himself to the standards for his sales size and product specialty in the Report on Operations and its Supporting Schedules, Balance Sheet, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

TABLE OF CONTENTS

	Page Number
FORWARD	2
CHAPTER 1 - BY SIZE OF FIRM	4-13
Report on Operations - Sales = 100%	4- 5
Supporting Schedules - Sales = 100%	6- 7
Balance Sheet	8- 9
Significant Facts	10-11
Return on Investment - Per $100 of Sales	12-13
CHAPTER 2 - BY PRODUCT SPECIALTY	14-23
Report on Operations - Sales = 100%	14-15
Supporting Schedules - Sales = 100%	16-17
Balance Sheet	18-19
Significant Facts	20-21
Return on Investment - Per $100 of Sales	22-23
ABSOLUTE DATA	24

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Chargeable materials	10.40	13.60	4.54
Outside services	2.11	1.59	1.78
TOTAL MATERIAL	12.51	15.19	6.32
FACTORY PAYROLL	44.70	39.96	41.42
FACTORY EXPENSES	18.83	17.05	30.03
TOTAL FACTORY COST OF PRODUCT	76.04	72.20	77.77
GROSS PROFIT	23.96	27.80	22.23
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.79	10.62	13.47
Selling expenses	4.14	3.46	3.73
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.93	14.08	17.20
INCOME BEFORE INTEREST EXPENSE	6.03	13.72	5.03
Interest expense	2.02	1.71	2.49
OPERATING INCOME	4.01	12.01	2.54
Other income	1.25	1.98	0.57
INCOME BEFORE INCOME TAXES	5.26	13.99	3.11

* "Profit Leaders" are those firms which earned 8% or greater pretax profit on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8.47	6.32	11.75	16.14	16.48	23.87
1.10	1.04	3.28	0.05	2.33	4.72
9.57	7.36	15.03	16.19	18.81	28.59
47.71	47.09	43.67	39.52	43.95	37.33
17.51	18.54	17.41	16.70	13.81	12.31
74.79	72.99	76.11	72.41	76.57	78.23
25.21	27.01	23.89	27.59	23.43	21.77
15.77	12.06	13.57	11.34	11.11	9.70
3.16	3.77	3.20	2.24	7.52	3.80
18.93	15.83	16.77	13.58	18.63	13.50
6.28	11.18	7.12	14.01	4.80	8.27
1.61	1.10	2.29	1.84	1.87	1.38
4.67	10.08	4.83	12.17	2.93	6.89
0.88	0.79	1.53	1.88	2.01	4.28
5.55	10.87	6.36	14.05	4.94	11.17

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	4.07%	5.24%	8.21%
Direct wages	30.80	28.56	28.84
General factory salaries and wages	2.19	0.38	0.00
Packing, shipping and delivery wages	1.65	0.83	0.47
Payroll taxes	2.87	2.10	2.65
Employee benefits	3.12	2.85	1.25
TOTAL FACTORY PAYROLL	44.70	39.96	41.42
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.50	1.32	2.12
Depreciation - other	3.45	3.04	4.50
Taxes - real estate	0.45	1.09	0.22
Taxes - other	0.29	0.26	0.55
Insurance	1.33	0.82	2.78
Building rent	2.99	2.34	7.64
Utilities - heat, light, etc.	1.63	1.35	2.24
Equipment rental	1.13	0.30	3.28
Total Fixed Expenses	11.77	10.52	23.33
Other Expenses			
Factory supplies and expense	1.28	1.13	1.32
Packing, shipping and delivery expense	2.27	2.56	1.94
Repairs and maintenance	2.36	2.36	1.99
Other factory expenses	1.15	0.48	1.45
Total Other Expenses	7.06	6.53	6.70
TOTAL FACTORY EXPENSES	18.83	17.05	30.03
ADMINISTRATIVE EXPENSES			
Salaries - executive	5.61	4.80	5.82
Salaries - office	3.05	2.73	2.60
Payroll taxes	0.50	0.33	0.42
Employee benefits	0.63	0.30	0.74
Bad debts	0.32	0.33	0.67
Office supplies and expenses	0.60	0.39	0.44
Professional fees	0.65	0.54	0.98
Taxes - business	0.19	0.41	0.05
Telephone	0.68	0.46	0.58
Other administrative expenses	1.56	0.33	1.17
TOTAL ADMINISTRATIVE EXPENSES	13.79	10.62	13.47
SELLING EXPENSES			
Salaries - executive	0.99	1.26	1.93
Salaries and commissions - salesmen	1.13	0.93	0.00
Salaries - sales office clerical	0.21	0.17	0.27
Payroll taxes	0.09	0.08	0.12
Employee benefits	0.06	0.05	0.04
Advertising	0.57	0.29	0.83
Travel and entertainment	0.68	0.53	0.44
Other selling expenses	0.41	0.15	0.10
TOTAL SELLING EXPENSES	4.14	3.46	3.73

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
5.40%	4.67%	1.90%	2.11%	1.65%	1.85%
29.79	36.88	32.96	32.26	30.88	24.69
3.69	0.00	1.90	0.00	1.95	1.54
2.26	0.00	1.27	0.33	2.16	2.83
3.23	2.28	2.48	2.03	3.04	2.72
3.34	3.26	3.16	2.79	4.27	3.70
47.71	47.09	43.67	39.52	43.95	37.33
0.30	0.42	0.13	0.00	0.05	0.09
3.82	6.48	3.52	2.18	1.86	1.94
0.32	0.97	0.84	1.67	0.28	0.39
0.24	0.00	0.28	0.42	0.16	0.12
1.21	0.94	1.09	0.97	0.68	0.55
2.23	0.00	1.99	2.36	1.86	2.04
1.70	1.35	1.26	1.32	1.60	1.55
0.37	0.00	1.09	0.57	0.66	0.35
10.19	10.16	10.20	9.49	7.15	7.03
1.56	1.87	1.23	0.95	0.85	1.12
1.62	1.70	2.70	3.42	2.95	2.87
2.37	3.85	2.70	2.84	2.15	0.72
1.77	0.96	0.58	0.00	0.71	0.57
7.32	8.38	7.21	7.21	6.66	5.28
17.51	18.54	17.41	16.70	13.81	12.31
7.40	5.04	5.10	6.20	3.20	3.04
2.78	3.55	3.41	2.46	3.37	3.01
0.64	0.37	0.32	0.41	0.61	0.26
0.50	0.55	0.54	0.00	0.89	0.66
0.16	0.07	0.36	0.36	0.24	0.70
0.68	0.33	0.63	0.41	0.54	0.43
0.57	0.55	0.73	0.65	0.41	0.19
0.30	0.63	0.24	0.49	0.07	0.21
0.95	0.48	0.45	0.18	0.63	0.73
1.79	0.49	1.79	0.18	1.15	0.47
15.77	12.06	13.57	11.34	11.11	9.70
1.08	2.93	0.66	0.00	0.55	0.29
0.60	0.00	1.17	1.17	2.87	1.97
0.26	0.00	0.15	0.00	0.19	0.00
0.05	0.07	0.06	0.00	0.16	0.17
0.01	0.00	0.02	0.00	0.24	0.21
0.23	0.34	0.41	0.35	1.14	0.08
0.68	0.43	0.56	0.72	1.05	0.48
0.25	0.00	0.17	0.00	1.32	0.60
3.16	3.77	3.20	2.24	7.52	3.80

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	9.20%	6.62%	8.16%
Receivables	30.85	30.34	29.66
Inventories	8.05	7.42	2.12
Other current assets	5.73	6.61	4.50
TOTAL CURRENT ASSETS	53.83	50.99	44.44
FIXED ASSETS			
Real estate	9.95	15.63	13.38
Less: Accumulated depreciation	2.68	3.62	2.62
	7.27	12.01	10.76
Machinery and equipment	78.21	80.29	65.21
Less: Accumulated depreciation	49.15	49.62	23.94
	29.06	30.67	41.27
Other fixed assets	7.07	3.67	6.35
Less: Accumulated depreciation	3.45	1.81	3.25
	3.62	1.86	3.10
NET FIXED ASSETS	39.95	44.54	55.13
OTHER ASSETS	6.22	4.47	0.43
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.98	4.14	4.98
Accounts payable	10.23	7.99	13.57
Other current liabilities	10.09	13.03	4.26
TOTAL CURRENT LIABILITIES	29.30	25.16	22.81
LONG-TERM LIABILITIES	19.55	11.47	27.30
TOTAL LIABILITIES	48.85	36.63	50.11
SHAREHOLDERS' AND PROPRIETORS' EQUITY	51.15	63.37	49.89
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.84	2.03	1.95
QUICK RATIO	1.56	1.73	1.86
TOTAL LIABILITIES TO EQUITY	0.96	0.58	1.00
LONG-TERM LIABILITIES TO EQUITY	0.38	0.18	0.55
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.63	0.62	0.37

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
11.60%	6.36%	12.01%	11.97%	1.86%	0.79%
26.70	31.72	27.74	30.53	43.43	38.57
7.08	2.17	6.79	10.65	16.48	11.50
7.24	2.58	3.84	1.35	7.08	15.37
52.62	42.83	50.38	54.50	68.85	66.23
13.71	45.28	4.76	0.00	8.57	17.23
3.62	8.06	0.93	0.00	3.75	6.40
10.09	37.22	3.83	0.00	4.82	10.83
93.93	111.39	72.97	62.31	70.70	76.75
67.29	93.53	41.84	28.80	50.88	58.43
26.64	17.86	31.13	33.51	19.82	18.32
6.97	2.20	7.42	5.49	7.35	3.90
4.03	0.85	2.31	2.31	4.39	2.89
2.94	1.35	5.11	3.18	2.96	1.01
39.67	56.43	40.07	36.69	27.60	30.16
7.71	0.74	9.55	8.81	3.55	3.61
100.00	100.00	100.00	100.00	100.00	100.00
12.71	5.86	4.35	1.68	12.99	3.07
7.69	0.20	11.61	14.35	9.64	6.08
7.92	4.00	12.72	22.87	14.65	13.09
28.32	10.06	28.68	38.90	37.28	22.24
15.66	7.56	20.76	5.89	17.74	16.33
43.98	17.62	49.44	44.79	55.02	38.57
56.02	82.38	50.56	55.21	44.98	61.43
100.00	100.00	100.00	100.00	100.00	100.00
1.86	4.26	1.76	1.40	1.85	2.98
1.61	4.04	1.52	1.13	1.40	2.46
0.79	0.21	0.98	0.81	1.22	0.63
0.28	0.09	0.41	0.11	0.39	0.27
0.72	0.84	0.57	0.46	0.72	0.76

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 18,004	$ 25,427	$ 26,686
Average assets per factory employee (Excluding Executives)	25,385	43,030	52,351
Average net worth per employee - All employees	9,446	15,505	13,785
Average gross plant investment per factory employee (Excluding Executives)	23,328	38,079	44,662
Net worth percentage of fixed assets	191.95%	209.02%	237.48%
EMPLOYEES			
Percent factory - All employees	85.63%	82.75%	81.69%
Percent administrative - All employees	11.01	12.21	12.73
Percent sales - All employees	3.36	5.04	5.58
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 32,596	$ 37,884	$ 31,267
Sales per factory employee	38,953	47,039	39,773
Sales less material per factory employee	33,108	39,020	37,354
Sales per administrative employee	315,158	339,782	181,843
EXCLUDING EXECUTIVES			
Sales per employee - All employees	37,466	45,544	43,187
Sales per factory employee	42,607	54,596	52,639
Sales less material per factory employee	36,444	46,165	49,913
SALES PER SALESMAN	388,497	313,889	0
SALES TO CURRENT ASSETS	416%	365%	506%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	56.98%	50.61%	53.35%
Factory payroll percentage of gross plant investment	170.17	158.78	329.07
Payroll per employee - All employees	$ 17,971	$ 18,317	$ 16,396
Payroll per factory employee	16,363	17,500	15,781
Payroll per administrative employee	28,998	26,233	18,530
Payroll per sales employee	18,554	14,815	9,807
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 13,680	$ 13,783	$ 12,169
Payroll per factory employee	13,259	13,631	12,205
Payroll per administrative employee	14,879	13,530	9,271
Payroll per sales employee	13,223	9,449	1,248
EXECUTIVE PAYROLL			
Payroll per executive - All executives	39,156	36,045	25,136
Payroll per factory executive	23,660	20,330	21,518
Payroll per administrative executive	47,003	54,988	23,146
Payroll per sales executive	10,718	9,479	12,006
RECEIVABLES			
Collection period	56.5	62.5	58.7
PROFIT			
Gross profit percentage of sales	23.96%	27.80%	22.23%
Average gross profit per factory employee	$ 11,091	$ 16,628	$ 15,231
Income before taxes percentage of sales	5.26%	13.99%	3.11%
Average income before taxes per employee	$ 1,953	$ 5,375	$ 2,098

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 15,475	$ 16,537	$ 18,252	$ 19,266	$ 14,611	$ 19,606
19,463	22,449	21,600	23,247	18,460	23,141
8,631	13,601	9,188	10,725	7,576	12,643
23,280	35,199	17,550	14,895	14,296	21,620
154.51%	154.15%	200.88%	280.33%	203.03%	224.74%
85.58%	79.17%	87.71%	86.91%	85.88%	87.49%
11.68	16.07	9.86	10.87	10.19	8.44
2.74	4.76	2.43	2.22	3.93	4.07
$ 31,378	$ 35,661	$ 33,034	$ 35,688	$ 35,075	$ 39,302
36,952	45,412	38,258	42,503	42,648	45,108
33,348	42,788	30,552	32,412	33,004	31,153
307,940	229,119	341,341	349,860	399,008	461,222
35,961	43,047	36,037	39,569	37,348	41,378
39,177	48,087	39,672	44,203	44,368	46,392
35,389	45,069	31,598	33,660	34,247	32,111
237,500	375,000	320,962	150,000	708,333	416,667
434%	513%	366%	343%	384%	312%
61.04%	59.61%	55.10%	49.75%	56.03%	46.93%
101.22	64.40	175.49	319.97	144.71	78.05
$ 19,009	$ 21,517	$ 17,180	$ 16,158	$ 18,741	$ 17,715
17,495	21,746	15,288	14,175	16,574	16,053
31,642	20,131	31,253	30,635	29,931	31,518
12,342	13,207	19,618	8,794	34,601	25,451
$ 14,187	$ 18,010	$ 13,652	$ 12,845	$ 14,133	$ 13,550
14,066	18,387	13,003	12,159	13,177	12,996
13,926	11,125	18,117	15,487	16,282	16,643
6,435	0	14,843	8,794	32,087	21,485
41,704	26,811	38,437	40,489	47,671	39,476
29,316	12,774	18,548	16,556	23,685	25,174
45,386	30,621	46,719	48,974	70,003	102,044
5,586	12,907	15,895	0	10,433	10,961
47.8	53.4	60.2	60.1	63.5	70.7
25.21%	27.01%	23.89%	27.59%	23.43%	21.77%
$ 9,923	$ 13,040	$ 9,568	$ 13,070	$ 11,871	$ 9,631
5.55%	10.87%	5.36%	14.05%	4.94%	11.17%
$ 1,785	$ 3,895	$ 2,194	$ 5,028	$ 1,748	$ 4,138

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 4.99	$ 4.44	$ 4.17
Receivables	15.08	16.53	14.96
Inventories	3.76	3.33	0.95
Marketable securities	0.70	1.92	0.00
Other current assets	2.37	3.22	4.74
	26.90	29.44	24.82
Plant Investment:			
Land and building	5.50	7.44	6.76
Machinery and equipment	44.64	53.64	60.05
Other fixed assets	3.77	2.23	5.07
	53.91	63.31	71.88
Non-Current Assets	3.31	2.15	0.27
TOTAL INVESTMENT	84.12	94.90	96.97
INVESTMENT TURNOVER PER $100 OF SALES	118.88%	105.37%	103.12%
EARNINGS			
Cost of Product	$76.04	$72.20	$77.77
Selling Expenses	4.14	3.46	3.73
Administrative Expenses	13.79	10.62	13.47
	93.97	86.28	94.97
Income Before Interest, Other Income and Taxes	6.03	13.72	5.03
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.17%	14.46%	5.19%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 6.00	$ 2.62	$ 7.16	$ 8.36	$ 0.71	$ 0.37
12.94	14.52	16.28	16.46	16.97	18.60
3.68	1.26	3.43	4.18	6.74	5.73
0.00	0.00	0.64	0.00	2.56	7.67
3.25	1.16	1.14	0.81	0.76	0.22
25.87	19.56	28.65	29.81	27.74	32.59
7.63	21.94	3.73	0.00	3.56	7.81
46.69	50.19	44.33	42.58	28.83	37.57
3.24	0.93	4.30	3.58	2.77	2.06
57.36	73.06	52.36	46.16	35.16	47.44
3.77	0.28	5.80	3.95	1.37	1.90
87.20	92.90	86.81	79.92	64.27	81.93
114.68%	107.64%	115.19%	125.13%	155.59%	122.06%
$74.79	$72.99	$76.11	$72.41	$76.57	$78.23
3.16	3.77	3.20	2.24	7.52	3.80
15.77	12.06	13.57	11.34	11.11	9.70
93.72	88.82	92.88	85.99	95.20	91.73
6.28	11.18	7.12	14.01	4.80	8.27
7.20%	12.03%	8.20%	17.53%	7.47%	10.09%

REPORT ON OPERATIONS - SALES = 100%

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Chargeable materials	4.74	7.39	13.12
Outside services	1.47	2.23	1.31
TOTAL MATERIAL	6.21	9.62	14.43
FACTORY PAYROLL	50.81	47.54	39.01
FACTORY EXPENSES	17.57	15.93	19.75
TOTAL FACTORY COST OF PRODUCT	74.59	73.09	73.19
GROSS PROFIT	25.41	26.91	26.81
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	15.03	9.05	16.85
Selling expenses	3.95	5.73	4.53
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.98	14.78	21.38
INCOME BEFORE INTEREST EXPENSE	6.43	12.13	5.43
Interest expense	1.56	0.99	3.20
OPERATING INCOME (LOSS)	4.87	11.14	2.23
Other income	1.40	1.39	1.36
INCOME BEFORE INCOME TAXES	6.27	12.53	3.59

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
4.99	6.31	38.13	10.43
2.75	1.57	1.06	3.82
7.74	7.88	39.19	14.25
41.94	37.84	22.75	47.05
22.69	20.10	5.39	22.38
72.37	65.82	67.33	83.68
27.63	34.18	32.67	16.32
14.42	11.55	12.52	11.82
4.27	2.92	11.58	2.67
18.69	14.47	24.10	14.49
8.94	19.71	8.57	1.83
1.59	2.17	1.92	2.31
7.35	17.54	6.65	(0.48)
0.55	0.62	0.01	1.52
7.90	18.16	6.66	1.04

SUPPORTING SCHEDULES - SALES = 100%

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.52%	1.46%	2.87%
Direct wages	37.25	36.94	17.46
General factory salaries and wages	1.95	0.83	12.19
Packing, shipping and delivery wages	2.62	2.05	1.19
Payroll taxes	3.51	2.84	2.60
Employee benefits	2.96	3.42	2.70
TOTAL FACTORY PAYROLL	50.81	47.54	39.01
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.23	0.25	0.72
Depreciation - other	3.83	4.86	1.34
Taxes - real estate	0.43	0.77	0.42
Taxes - other	0.08	0.00	0.45
Insurance	1.33	0.77	1.48
Building rent	2.11	0.00	2.42
Utilities - heat, light, etc.	1.51	1.28	1.74
Equipment rental	0.69	0.33	2.58
Total Fixed Expenses	10.21	8.26	11.15
Other Expenses			
Factory supplies and expense	1.02	2.15	4.18
Packing, shipping and delivery expense	2.73	2.56	0.30
Repairs and maintenance	2.95	2.69	1.56
Other factory expenses	0.66	0.27	2.56
Total Other Expenses	7.36	7.67	8.60
TOTAL FACTORY EXPENSES	17.57	15.93	19.75
ADMINISTRATIVE EXPENSES			
Salaries - executive	5.82	4.30	7.96
Salaries - office	3.18	2.35	4.11
Payroll taxes	0.67	0.17	0.81
Employee benefits	1.04	0.49	1.42
Bad debts	0.36	0.08	0.09
Office supplies and expenses	0.48	0.49	0.55
Professional fees	0.57	0.29	0.58
Taxes - business	0.17	0.21	0.24
Telephone	0.58	0.47	0.28
Other administrative expenses	2.16	0.20	0.81
TOTAL ADMINISTRATIVE EXPENSES	15.03	9.05	16.85
SELLING EXPENSES			
Salaries - executive	1.14	2.93	2.21
Salaries and commissions - salesmen	1.00	1.20	0.57
Salaries - sales office clerical	0.16	0.00	0.00
Payroll taxes	0.11	0.17	0.14
Employee benefits	0.04	0.12	0.04
Advertising	0.44	0.39	0.11
Travel and entertainment	0.51	0.57	1.09
Other selling expenses	0.55	0.35	0.37
TOTAL SELLING EXPENSES	3.95	5.73	4.53

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
10.41%	15.94%	1.76%	4.38%
26.51	18.07	16.30	33.21
0.00	0.00	0.63	1.19
0.59	0.00	0.81	1.83
2.44	1.49	1.60	2.69
1.99	2.34	1.65	3.75
41.94	37.84	22.75	47.05
2.78	5.02	0.00	0.00
2.75	2.78	1.05	5.00
0.40	0.79	0.08	0.24
0.46	0.28	0.00	0.34
1.28	0.89	0.14	1.68
2.52	3.78	1.84	5.11
1.63	1.46	0.98	2.22
4.02	0.00	0.04	0.30
15.84	15.00	4.13	14.89
0.90	0.60	0.17	1.04
2.71	1.15	0.17	2.20
2.41	2.00	0.43	2.16
0.83	1.35	0.49	2.09
6.85	5.10	1.26	7.49
22.69	20.10	5.39	22.38
5.67	4.02	4.64	4.08
3.24	3.66	1.91	2.82
0.46	0.37	0.36	0.33
0.45	0.55	1.00	0.13
0.20	0.02	0.36	0.53
0.54	0.27	0.68	0.58
1.00	0.76	0.94	0.58
0.34	0.68	0.02	0.10
0.83	0.63	0.39	1.06
1.69	0.59	2.22	1.61
14.42	11.55	12.52	11.82
2.40	1.82	0.91	0.20
0.00	0.00	4.33	1.19
0.34	0.68	0.77	0.18
0.15	0.07	0.11	0.05
0.05	0.00	0.25	0.06
0.79	0.23	2.11	0.28
0.41	0.12	1.54	0.49
0.13	0.00	1.56	0.22
4.27	2.92	11.58	2.67

CHAPTER 2 - BY PRODUCT SPECIALTY

BALANCE SHEET

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	9.63%	5.96%	14.17%
Receivables	38.75	43.22	25.00
Inventories	3.37	4.46	15.71
Other current assets	4.01	4.44	1.37
TOTAL CURRENT ASSETS	55.76	58.08	56.25
FIXED ASSETS			
Real estate	17.27	39.15	17.84
Less: Accumulated depreciation	5.03	11.07	6.71
	12.24	28.08	11.13
Machinery and equipment	87.91	112.07	54.99
Less: Accumulated depreciation	64.43	100.21	40.52
	23.48	11.86	14.47
Other fixed assets	9.12	1.77	5.40
Less: Accumulated depreciation	5.88	0.53	2.80
	3.24	1.24	2.60
NET FIXED ASSETS	38.96	41.18	28.20
OTHER ASSETS	5.28	0.74	15.55
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	10.17	5.14	20.16
Accounts payable	7.19	3.73	5.44
Other current liabilities	11.00	8.68	5.75
TOTAL CURRENT LIABILITIES	28.36	17.55	31.35
LONG-TERM LIABILITIES	18.64	13.08	18.90
TOTAL LIABILITIES	47.00	30.63	50.25
SHAREHOLDERS' AND PROPRIETORS' EQUITY	53.00	69.37	49.75
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.97	3.31	1.79
QUICK RATIO	1.85	3.06	1.29
TOTAL LIABILITIES TO EQUITY	0.89	0.44	1.01
LONG-TERM LIABILITIES TO EQUITY	0.35	0.19	0.38
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.73	0.89	0.74

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.04%	2.32%	0.99%	10.45%
32.13	17.30	39.25	24.32
1.10	2.20	34.37	6.85
6.07	7.35	2.37	12.35
42.34	29.17	76.98	53.97
26.68	23.36	0.00	0.00
4.97	3.39	0.00	0.00
21.71	19.97	0.00	0.00
62.47	77.91	28.09	99.21
28.88	27.77	13.17	64.69
33.59	50.14	14.92	34.52
4.54	0.77	2.18	8.31
2.72	0.35	0.56	2.99
1.82	0.42	1.62	5.32
57.12	70.53	16.54	39.84
0.54	0.30	6.48	6.19
100.00	100.00	100.00	100.00
5.58	7.07	10.92	7.25
15.71	4.15	21.36	9.96
4.72	2.47	19.44	10.59
26.01	13.69	51.72	27.80
24.77	20.72	9.90	21.15
50.78	34.41	61.62	48.95
49.22	65.59	38.38	51.05
100.00	100.00	100.00	100.00
1.63	2.13	1.49	1.94
1.59	1.97	0.82	1.69
1.03	0.52	1.61	0.96
0.50	0.32	0.26	0.41
0.46	0.36	0.47	0.65

SIGNIFICANT FACTS

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 13,575	$ 14,845	$ 19,607
Average assets per factory employee (Excluding Executives)	15,905	18,599	24,370
Average net worth per employee - All employees	7,686	10,518	8,990
Average gross plant investment per factory employee (Excluding Executives)	18,957	29,468	19,767
Net worth percentage of fixed assets	132.96%	165.85%	248.32%
EMPLOYEES			
Percent factory - All employees	88.72%	82.53%	84.26%
Percent administrative - All employees	9.01	11.16	11.93
Percent sales - All employees	2.27	6.31	3.81
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 28,104	$ 36,036	$ 32,828
Sales per factory employee	32,249	44,481	38,947
Sales less material per factory employee	30,414	41,228	33,308
Sales per administrative employee	339,950	334,311	279,979
EXCLUDING EXECUTIVES			
Sales per employee - All employees	30,745	41,761	37,280
Sales per factory employee	32,967	45,344	40,605
Sales less material per factory employee	31,074	41,926	34,770
SALES PER SALESMAN	588,333	395,833	177,405
SALES TO CURRENT ASSETS	412%	420%	305%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	63.97%	59.27%	56.28%
Factory payroll percentage of gross plant investment	111.97	77.76	133.95
Payroll per employee - All employees	$ 18,044	$ 21,625	$ 18,549
Payroll per factory employee	16,391	21,495	15,203
Payroll per administrative employee	33,889	24,591	38,848
Payroll per sales employee	24,957	27,089	16,543
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,131	$ 18,507	$ 13,252
Payroll per factory employee	13,860	18,676	12,573
Payroll per administrative employee	16,260	12,215	19,878
Payroll per sales employee	19,607	11,725	4,214
EXECUTIVE PAYROLL			
Payroll per executive - All executives	51,539	30,579	37,945
Payroll per factory executive	24,686	10,174	26,598
Payroll per administrative executive	67,637	84,325	43,565
Payroll per sales executive	14,511	12,907	18,010
RECEIVABLES			
Collection period	65.2	66.8	55.5
PROFIT			
Gross profit percentage of sales	25.41%	26.91%	26.81%
Average gross profit per factory employee	$ 8,528	$ 12,283	$ 10,906
Income before taxes percentage of sales	6.27%	12.53%	3.59%
Average income before taxes per employee	$ 1,922	$ 4,432	$ 1,232

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 27,186	$ 45,164	$ 17,402	$ 17,612
58,882	103,562	24,470	21,388
14,420	26,273	6,850	9,144
51,740	87,944	6,483	23,018
246.58%	93.75%	379.55%	169.85%
76.41%	75.07%	77.78%	88.03%
16.62	16.93	14.63	9.52
6.97	8.00	7.59	2.35
$ 31,520	$ 37,689	$ 46,123	$ 34,141
42,135	51,715	61,067	39,099
39,408	48,733	37,922	32,011
207,533	226,032	425,331	300,746
45,658	55,490	51,899	37,751
58,187	78,108	64,563	41,518
54,920	74,480	40,253	34,105
0	0	150,000	50,000
565%	388%	351%	418%
54.70%	49.01%	37.03%	56.09%
383.27	42.79	381.61	94.91
$ 16,553	$ 17,928	$ 17,083	$ 18,530
16,841	18,676	13,419	17,526
15,485	17,269	30,052	23,140
12,259	7,412	35,351	16,262
$ 11,921	$ 10,050	$ 12,542	$ 14,615
12,190	10,567	10,521	14,345
8,069	9,245	12,692	14,631
1,560	3,120	35,570	11,512
22,172	31,272	43,529	31,422
21,561	31,314	20,070	27,679
22,999	31,960	46,394	34,060
15,007	14,047	13,559	6,340
54.9	61.4	54.1	49.5
27.63%	34.18%	32.67%	16.32%
$ 18,815	$ 29,624	$ 22,640	$ 7,079
7.90%	18.16%	6.66%	1.04%
$ 3,490	$ 7,478	$ 3,184	$ 708

RETURN ON INVESTMENT - PER $100 OF SALES

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 5.48	$ 2.32	$ 7.35
Receivables	17.65	18.19	15.15
Inventories	1.65	2.02	9.96
Marketable securities	0.26	1.03	0.00
Other current assets	1.57	0.86	0.94
	26.61	24.42	33.40
Plant Investment:			
Land and building	8.97	16.19	11.84
Machinery and equipment	42.69	45.63	33.21
Other fixed assets	4.13	0.68	3.73
	55.79	62.50	48.78
Non-Current Assets	2.51	0.28	10.57
TOTAL INVESTMENT	84.91	87.20	92.75
INVESTMENT TURNOVER PER $100 OF SALES	117.77%	114.68%	107.82%
EARNINGS			
Cost of Product	$74.59	$73.09	$73.19
Selling Expenses	3.95	5.73	4.53
Administrative Expenses	15.03	9.05	16.85
	93.57	87.87	94.57
Income Before Interest, Other Income, and Taxes	6.43	12.13	5.43
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.57%	13.91%	5.85%

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 1.93	$ 2.76	$ 0.36	$ 4.81
14.27	15.34	14.75	12.90
0.65	1.31	13.02	3.15
0.00	0.00	0.00	2.38
6.18	10.80	0.90	3.11
23.03	30.21	29.03	26.35
14.46	13.56	0.00	0.00
53.74	85.20	10.45	54.67
2.47	0.80	0.79	4.67
70.67	99.56	11.24	59.34
0.33	0.48	2.45	2.96
94.03	130.25	42.72	88.65
106.35%	76.78%	234.08%	112.80%
$72.37	$65.82	$67.33	$83.68
4.27	2.92	11.58	2.67
14.42	11.55	12.52	11.82
91.06	80.29	91.43	98.17
8.94	19.71	8.57	1.83
9.51%	15.13%	20.06%	2.06%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	30	$ 981,000	$1,972,000	$102,000
TOTAL - PROFIT LEADERS*	8	1,081,000	1,986,000	249,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	5	168,000	241,000	14,000
$500,000-$1,500,000	10	493,000	988,000	55,000
$1,500,000-$3,000,000	9	1,362,000	2,177,000	121,000
Over $3,000,000	6	1,898,000	4,745,000	225,000
PROFIT LEADERS				
$500,000-$1,500,000	2	407,000	851,000	93,000
$1,500,000-$3,000,000	3	1,080,000	1,749,000	248,000
Over $3,000,000	2	2,114,000	4,352,000	500,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Pamphlet	8	1,281,000	2,673,000	166,000
Edition	3	1,016,000	1,536,000	31,000
Finishers	4	243,000	362,000	36,000
Looseleaf	3	1,140,000	2,979,000	122,000
No Predominant Specialty	8	930,000	2,003,000	57,000
PROFIT LEADERS				
Pamphlet	2	1,272,000	2,875,000	388,000
Finishers	2	421,000	525,000	73,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.